



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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Blu-ray Disc 'comes of age' in United States

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*Steve Feldstein
SVP, corporate and
marketing communications
20th Century Fox Home
Entertainment*

In the US, last week will go down in history as Blu-ray Disc's coming-of-age party. Paramount/DreamWorks' two-disc special edition of a catalog title, *Transformers*, debuted at No. 3 on the national sales chart, primarily because of strong sales on Blu-ray Disc.

Indeed, more than two-thirds of the first-week sales total was generated by the Blu-ray Disc version, according to Nielsen VideoScan First Alert data. *Transformers* was initially released a year ago on DVD and HD DVD only.

Not surprisingly *Transformers* also topped the Blu-ray Disc First Alert sales chart for the week ended Sept. 7, with the second-ranked Blu-ray Disc seller being Walt Disney Studios' *The Nightmare Before Christmas*.

Furthermore, this is not a short term trend. All indicators point towards Blu-ray Disc gaining further momentum as we travel towards the critical pre-Christmas sales period.

During the recent CEDIA Expo, the Blu-ray Disc Association hosted a luncheon where several heads of major studio home entertainment divisions and leading Blu-ray experts ran through the numbers.

So far about 15 million Blu-ray Discs have been sold, according to *Home Media Magazine* market research. Thus far in 2008, 8.8 million Blu-ray Discs have been sold, compared to 5.6 million in all of 2007. With Adams Media Research noting that about 60% of all software sales occur in the fourth quarter, optimism is high among studio executives that 2008 will end well for Blu-ray.





David Bishop

"We always use content sales as a great barometer for how we're doing," commented Andy Parsons, Chairman of the BDA US Promotions Committee. "It's a very pure number. It's something real we can look at, and there's no spinning it."

Global Media Intelligence (GMI) predicts that by 2011, all forms of electronically delivered video will still only account for roughly 5% of theatrical and home video revenue. "The numbers don't lie," Parsons said, "and the numbers are putting smiles on the faces of studio executives."

"The two can coexist," said David Bishop, president of Sony Pictures Home Entertainment, about physical and digital media. He added that with studios including digital copies of movies with Blu-ray, they're giving consumers everything they could possibly want. "[Digital copy] enables us to have movie or TV content more broadly distributed," he said. "In terms of ease of use, it's still skewed toward physical media."

Steve Feldstein, SVP, corporate and marketing communications, 20th Century Fox Home Entertainment, said his studio is considering this fourth quarter the "first fourth quarter" for Blu-ray. "There are no obstacles, no mixed messages for consumers," he said. "It's all Blu."

Chris Fawcett, VP of home video for Sony Electronics, added, "I've said time and time again, movie fans won when the industry unified behind Blu-ray. The thing we have to keep in mind is that the consumers aren't as close to this as we are."

Craig Kornblau, president of Universal Studios Home Entertainment, relayed a story that highlighted that fact, saying he was discussing Blu-ray with a friend last month. She was under the impression that a format war was still going on.

"Consumer education is critically important, still, for our growth as an industry," Kornblau said. "It's a very exciting time for us as a studio, and for all of us as an industry. We're spending a lot of time and money to see what consumers want." "It's going to be an interesting fourth quarter," he said. "If [household] penetration explodes the way we hope, you might see a lot of these titles we're considering for Blu-ray released a lot quicker than expected."

Bob Chapek, president of Walt Disney Studios Home Entertainment, said everything is going according to his studio's Blu-ray plan, namely the end of the format war, retailers rallying behind Blu-ray with shelf space and sales education. "You're going to see a landslide of great content now in the fourth quarter," he said. "It's now about penetration, proving that Blu-ray is the complete DVD replacement."



Bob Chapek

Labels unite to demonstrate power of Blu-ray music

In Europe, the home entertainment industry will be joining forces later this month to champion the brilliance of Blu-ray at an exclusive presentation. On 25 September at Metropolis Studios in West London, the British Video Association (BVA) in association with its members will hold a live Blu-ray music event to demonstrate to both retailers and journalists the power of music Blu-ray.

"Music is a genre which works particularly well on Blu-ray and already features both established stars such as Led Zeppelin and Elton John as well newer talent such as Shakira and Justin Timberlake."

*Hannah Conduct
Marketing Manager
BVA*

Hannah Conduct, Marketing Manager of the BVA says: "This is guaranteed to be a must-attend event in the trade calendar. Metropolis is one of Europe's top recording & mixing studio complexes and we are going to be demonstrating some excellent product on Blu-ray including the launch of Universal Classics. Nearly 100 music titles are due to be released over the Q4 period and beyond and these will be detailed in a catalogue for Retailers to take away."

She continues, "Total Blu-ray volumes are currently up 419% on last year. Music is a genre which works particularly well on Blu-ray and already features both established stars such as *Led Zeppelin* and *Elton John* as well newer talent such as *Shakira* and *Justin Timberlake* who have seen success of their DVDs on the format.

July 2008 saw the best month of sales since the launch of Blu-ray with almost 200,000 units sold. As the BVA revealed in August, Blu-ray sales have now sold in excess of 2.15 million units in the UK since launch and Q4 should see a strong performance of the format".

The best selling music Blu-ray title of the year so far is *Celine Dion's - Live in Las Vegas, A New Day* by Sony BMG closely followed in the Top 10 by *Queen – Rock Montreal* (Eagle Rock).

Hannah Conduct continues "This BVA Blu-ray showcase is the perfect opportunity for guests to see how the next generation of home entertainment can deliver exceptional quality through superlative digital surround sound and dazzling High Definition picture. Metropolis is a perfect venue to highlight Music Blu-ray. It is the place where certain classic albums of all time have been recorded and mixed such as *Queen "Made In Heaven"*, *The Verve "Urban Hymns"*, *Live Aid & Live 8* DVDs and the Grammy Award winning *Amy Winehouse "Back To Black"*.

For more information on this event, please contact the BVA on +44 20 7436 0041 or email general@bva.org.uk



Shakira on Blu-ray Disc – a must see

Japanese consumers warm to Blu-ray Disc recorders

Kakaku.com Inc has announced the results of its survey of Japanese consumers' intention to purchase a Blu-ray Disc recorder and other related issues. The company operates "Kakaku.com," a website that provides price comparisons of home appliances and other products. The company conducted the survey via the Internet among registered Kakaku.com users from Aug 18 to 25, 2008, and received 4,978 responses.

kakaku.com

According to the survey, respondents who currently own a Blu-ray Disc recorder

accounted for 11.6%, more than 10% of all the respondents. Kakaku.com commented that the results represented a higher level of penetration than expected even though the survey targeted trend-sensitive Kakaku.com users.

Of those who did not own a Blu-ray Disc recorder at the time of the research, a total of respondents who "wish to buy one" (16.7%) and "consider buying one" (39.0%) surpassed 50% of all the respondents. In other words, the majority of the respondents are considering purchasing a Blu-ray Disc recorder.

On the other hand, respondents who "have no intention to buy one" constituted 31.5%. Based on those results, Kakaku.com forecasts that the penetration of Blu-ray Disc recorders will exceed 30% in Japan in the relatively near future.

Asked when they bought a Blu-ray Disc recorder, more than 60% of the respondents who own a Blu-ray Disc recorder said "within the last six months." Those who bought it "within one month," "more than one but less than three months ago" and "more than three but less than six months ago" accounted for 22.6, 22.4 and 18.6%, respectively.

This indicates that many purchased a Blu-ray Disc recorder in the spring or summer of 2008. The lineup of Blu-ray Disc recorders in the Japanese market increased to a sufficient level at that time, according to Kakaku.com. The emergence of products at ¥100,000 (approx US\$927) to 150,000 significantly influenced the purchasing activity of consumers as well, Kakaku.com said.

The end of the format war with HD DVD and the standardization on Blu-ray Disc brought a sense of relief to consumers and triggered purchases of Blu-ray Disc recorders, Kakaku.com explained. Other factors including the fortification of the Blu-ray Disc recorder lineup, the lowering price and the nationwide diffusion of digital broadcasts also promoted Blu-ray Disc recorders to spread, according to Kakaku.com.

Thomson, through its Technicolor Services Division, has announced the establishment of a comprehensive Blu-ray Disc mastering suite and four new Blu-ray Disc BD-50 and BD-25 lines at its facility in Piaseczno/Warsaw, Poland.

Technicolor was one of the first companies to start manufacturing Blu-ray Discs in 2006 from its Camarillo, California facility and has been working with numerous studios and independent right holders since the launch of the format. These are the first Blu-ray Disc lines for Technicolor in Europe and positions Technicolor Poland as the second largest Blu-Ray Disc manufacturer in Europe.

"Our U.S. colleagues have developed a strong expertise in the manufacturing of Blu-ray Discs since 2006, and we have benefited greatly from their expertise in establishing European-based Blu-ray capability, giving us the opportunity to better serve our customers here in Europe. This significant investment in Blu-ray mastering and replication capacity will allow us to deliver this new format with



Panasonic – one of several manufacturers to offer BD recorders

Technicolor launches Euro Blu-ray Disc mastering and replication facilities



maximum flexibility and efficiency for our key customers in Europe.” says Robert Sweet, senior vice president, Technicolor Home Entertainment Services Europe.

We are here
to help

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